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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/814,547	03/22/2001	James E. Malackowski	OTOM.014A	4464

20995 7590 04/05/2007  
KNOBBE MARTENS OLSON & BEAR LLP  
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IRVINE, CA 92614

EXAMINER
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KESACK, DANIEL

ART UNIT	PAPER NUMBER
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3691

SHORTENED STATUTORY PERIOD OF RESPONSE	NOTIFICATION DATE	DELIVERY MODE
3 MONTHS	04/05/2007	ELECTRONIC

**Please find below and/or attached an Office communication concerning this application or proceeding.**

If NO period for reply is specified above, the maximum statutory period will apply and will expire 6 MONTHS from the mailing date of this communication.

Notice of this Office communication was sent electronically on the above-indicated "Notification Date" and has a shortened statutory period for reply of 3 MONTHS from 04/05/2007.

Notice of the Office communication was sent electronically on above-indicated "Notification Date" to the following e-mail address(es):

jcartee@kmob.com  
eOAPilot@kmob.com

<b>Office Action Summary</b>	Application No. 09/814,547	Applicant(s) MALACKOWSKI ET AL.	
	Examiner Dan Kesack	Art Unit 3691	

**-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --**

**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 02 January 2007.
- 2a) ☐ This action is **FINAL**.                      2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 1 and 4-8 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1, 4-8 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All    b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- \* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- |  |   |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)                                | 4) <input type="checkbox"/> Interview Summary (PTO-413)<br>Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)                       | 5) <input type="checkbox"/> Notice of Informal Patent Application                       |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)<br>Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____  |

## **DETAILED ACTION**

### ***Continued Examination Under 37 CFR 1.114***

1. A request for continued examination under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after final rejection. Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 CFR 1.114. Applicant's submission filed on January 2, 2007 has been entered.

### ***Status of Claims***

2. Claims 1, and 4-8 are currently pending. The rejections are as stated below.

### ***Claim Rejections - 35 USC § 112***

3. Claim1 is rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. Specifically, the claim is rejected as being incomplete for

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omitting essential steps, such omission amounting to a gap between the steps. See MPEP § 2172.01. The omitted steps are: how the predetermined conditions on which the disposition strategy is based ultimately lead to choosing "transferring the intellectual asset to a charitable organization" as the disposition strategy. This step is deemed essential because the claim language requires that specific considerations be made in determining that the disposition strategy of "transferring the intellectual asset to the charitable organization" be chosen. The claim language is not clear as to how each of the claimed considerations would lead to the subsequently claimed determination.

### ***Claim Rejections - 35 USC § 103***

4. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

5. The factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

6. Claims 1, 4-8 are rejected under 35 U.S.C. 103(a) as being unpatentable over Martin, U.S. Patent No. 6,330,547, in view of Fairley's article "Dupont donates patents, gets tax write-off", and further in view of Bowling's article "Bank donates house to Habitat for Humanity".

Claims 1, 5, 8, Martin discloses a method of establishing intellectual property as a creditworthy collateral option in extending a line of credit, and for establishing a value for intellectual property assets used as collateral for loans made primarily to emerging companies. Martin uses a mathematical combination of factors surrounding the intellectual property involved, and uses this information to determine a liquidation value for specific intellectual property used as collateral for a loan (column 3, lines 8-10), in which case the security interest would use said collateral to recoup money lost in the investment. Martin teaches in the event that the applicant defaults on the loan, the lender is forced to repossess the IP collateral. Extending a line of credit using the intellectual property as collateral is considered securing an ownership right to the intellectual asset upon failure by the venture to meet established parameters, wherein the established parameters are repayment of the loan. Inherent in the teachings of Martin are those steps known to one of ordinary skill in the art, pertaining to a creditor granting a loan, and a borrower defaulting on a loan, such as establishing the amount of the investment at least partially on the value of the collateral, providing the investment to the borrower having the collateral, receiving a security interest in the collateral, the

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security interest securing an ownership right to the collateral upon failure to meet minimum performance conditions, wherein the minimum performance conditions are repayments, and obtaining ownership in the collateral if the borrower fails to meet the minimum performance conditions.

Martin fails to teach determining the disposition strategy to be transferring the intellectual asset to a charitable organization.

Bowling's article teaches a bank repossessing a property based on a failure to repay a debt owned to the bank, and secured by the property, and the bank donating the property to a charitable organization. Inherent in the donation to a charitable organization is the bank considering the ability of the charitable organization to use the property. It would have been obvious to one of ordinary skill in the art at the time of the Applicant's invention to modify the teachings of Martin to include donating the repossessed collateral to a charity because of the well known tax benefits of making donations.

Martin further fails to teach calculating a tax deduction obtained from making the donation.

Fairley teaches donating patents to a charitable organization for the benefit of a calculated tax deduction, and relief from patent maintenance fees. It would have been obvious to one of ordinary skill in the art at the time of the Applicant's invention to modify the teachings of Martin to include calculating and taking a tax deduction because

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investors seek to recoup money lost in a failed investment, and Bowling teaches donating repossessed collateral to charitable organizations.

Martin fails to teach the features of claims 4 and 6.

The features of claims 4 and 6 are old and well-known practices in the art of financial lending, as established in the previous Office Action (1/30/2005). Since Applicant did not adequately traverse Examiner's Official Notice, the common knowledge or well known in the art statement is taken to be admitted prior art. See MPEP 2144.03(C). It would have been obvious to one of ordinary skill in the art to modify the teachings of Martin to include the steps of obtaining consent from the venture, and having the asset valued by a qualified appraiser because Martin teaches using the intellectual property as collateral for a loan, and the claimed features are well known in the art of lending.

Claim 7, Martin fails to teach investing comprising of investing in an intellectual holding company wherein the holding company receives the security interest.

Official Notice is taken that intellectual property holding companies are old and well known in the art. It would have been obvious to one of ordinary skill in the art at the time of the Applicant's invention to modify the teachings of Martin to include investing in a holding company because of the well-known tax advantages and protection offered by such a corporate structure.

***Response to Arguments***

7. Applicant's arguments with respect to claims 1, and 4-8 have been considered but are moot in view of the new ground(s) of rejection.

***Conclusion***

8. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure. Kossovsky, U.S. Patent Application Publication No. 2002/0002523 is directed towards an online patent and license exchange.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Dan Kesack whose telephone number is 571-272-5882. The examiner can normally be reached on M-F, 9:00am-5:00pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Alexander Kalinowski can be reached on 571-272-6771. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.



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Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

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**HANI M. KAZIMI**  
**PRIMARY EXAMINER**